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ABSTRACT

Consumer dissatisfaction is discussed as a force affecting traditional assumptions and operating procedures in many areas of society. It is noted that all levels of government are now considering proposals for increased regulation of postsecondary education. The alternative of self-regulation is suggested, and the principal higher education practices criticized by students and consumer advocates are examined. Examples are taken from areas in which most well-intentioned institutions can improve, including recruitment and promotion procedures, financial policy, and the academic program. The obligation of institutions to offer adequate career preparation is also considered. Additional proposals for state and federal regulation have been made: publication of attrition rates and reasons for attrition; publication of federal loan default rates; public disclosure of full reports by accreditation agencies; publication of a prospectus about each institution; establishment of a clearinghouse which would maintain comparable information about all institutions; and establishment of a second clearinghouse which would maintain information on complaints which have been registered. (LBH)

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The New Consumerism in Higher Education

Consumer dissatisfaction is a force which has already affected traditional assumptions and operating procedures in many areas of society. Education has until recently largely escaped the attention of the consumerist movement. However, all levels of government are now considering proposals for increased regulation of postsecondary education; this is seen by some as a benefit and by others as a major threat. Here, Joan Stark, chairman of the department of higher/postsecondary education at Syracuse Univerity, suggests the alternative of self-regulation and examines the principal higher education practices criticized by students and consumer advocates. The text is a condensed version of a speech delivered in March 1975 to the Regents of the State of New York Eleventh Annual Trustees Conference in New York City.

A new force—perhaps a social movement—is currently sweeping through postsecondary education. Articles in the local news media at least weekly stress federal or state efforts to protect the consumer in postsecondary education. Letters from students appear daily in campus newspapers, inquiring about the procedure for protesting a grade believed to have been given unfairly, or about the due process available for those who think they have been misled upon admission to the institution, and from victims of presumed administrative arbitrariness in areas like housing or class scheduling. In Connecticut, a student is suing for a refund of tuition and expenses, claiming that she learned nothing in a college course.

Perhaps the consumerist movement is related to the current buyer's market in postsecondary education, and to the students' recognition that they have the opportunity to be fussy about the service they receive. Perhaps today's more conservative students have taken advice given to their predecessors to bring about change by "working within the system." The movement certainly owes some strength to students' anxiety about future employment opportunities, and to the tension they and their parents feel about larger and larger tuition outlays in a time of inflation. It may be aided and abetted by an increase in high pressure sales techniques of admissions personnel.

According to Virginia Knauer, Special Assistant to the President for Consumer Affairs, the volume of educational complaints received in one office at the U.S. Office of Education has doubled each year for the past three years.[1]

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The Government Steps In

The complaints have increased greatly since students began to receive direct government financial assistance through grants, loans, and workstudy programs. Citizens using government money to purchase a major service such as education who feel that they are not getting their money's worth may assume that the government will be interested.

The government is indeed interested. Abuses relating to provision of federal financial assistance for students attending proprietary institutions have stimulated much of the concern. A student who receives a federally guaranteed loan to attend an institution may be ill-prepared or ineligible to complete a program, or may voluntarily drop out. The loan money has become tuition and is already in the proprietor's pocket, sometimes with little or no refund available. In such a case, students often feel little obligation to repay money from which they have received no benefit. The taxpayer ends up paying the defaulted loans.

As the variety of government agencies receiving complaints wondered where to send the complainants for satisfaction and began to discuss methods of centralizing actions for consumer protection, they discovered that many of the abuses that looked quite unethical in the proprietary sector had been tolerated for years in non-profit traditional collegiate institutions.

While proprietary schools are often engaged in interstate commerce and thus are subject to regulation by the Federal Trade Commission, traditional instruction has long been considered a state responsibility.

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However, the vehicle for regulation of abuses in the non-profit sector does exist through the threat to withhold federal funding. This mechanism has encouraged the enforcement of affirmative action and civil rights legislation. Regulation of the non-profit sector will probably begin with the private institutions of higher education, followed by the public institutions. What's good for the goose is good for the gander, particularly when much of the feed comes from the same bin.

The First Steps

Although both state and federal governments are very concerned, the authority for setting standards and granting eligibility to schools for enrolling students with financial assistance is fragmented. At the federal level at least 12 agencies share in the responsibility.

In the spring of 1974, the Education Commission of the States sponsored a national invitational conference on consumer protection. This was followed in November 1974 by a second conference. At the first conference in Denver, issues were identified; at the second, in Knoxville, proposals for action were considered.

The Fund for the Improvement of Post-Secondary Education has established a national project to assist institutions in providing information to students choosing among post-secondary education opportunities. And on February 5, bill #2786, known as the "Postsecondary Education Consumer Protection Act of 1975" was introduced in the House of Representatives; a similar bill is expected from the Senate.

Finally, on February 20, the Federal Register contained rather extensive guidelines to be followed by institutions enrolling students with federally guaranteed student loans. The guidelines were scheduled to take effect 45 days after publication; since that time, several higher education associations have to little avai' registered objections, claiming that the guidelines interfere more than necessary in the internal affairs of institutions.

Self-Regulation as an Alternative

I do believe that there is room for improvement in our communication with and accountability to students. But I do not insist that government makes the rules when the result may be the loss of institutional control of many facets of educational purpose and process.

We now typically wait to react to regulations, however uninformed, from Washington. The recent enactment of the Buckley amendment on family rights and privacy is an example of a needed reform which could have been devised in a far more workable form by the institutions themselves.

Although by now they may be relatively unresponsive to changing times, the formation in the past of such voluntary groups as the regional accrediting agencies was significant because they represented instances of self-regulation by institutions hoping to retain their autonomy and academic freedom. Whether the end-result is government regulation or new inter-institutional self-regulating arrangements, top administrators, who will finance and implement measures, as well as members of boards of trustees, who presumable represent the public stake in higher education, must be involved from the outset.

The Scope of the Problem

This movement has implications for every facet of policy-making and operation of our institutions of higher education. Solving common consumer complaints through positive modes of attack can result in improvement of the education we provide.

Many well-known abuses derive from the activities of dubious educational enterprises; my examples are taken from areas in which the most well-intentioned institutions can improve. Consumer protection involves at least the distinct areas of access information (including fees and financial aid), process information, and outcome information.[2]

I. Recruitment and Promotion

Most states now provide a place for every student. Unfortunately, educators have not been entirely successful in placing the pegs in the matching holes. In the past, we have given inadequate attention to the needs of individual students; now we have entered an era of competition for bodies with test scores of 98°F. Instead of informing students of programs more suitable to their objectives at nearby institutions, we often enroll them anyway in hopes that their goals will change with exposure to our particular brand of education. (And sometimes they do.)

It has been predicted that the increase in government financial aid provided directly to students will cause them to "vote with their feet." Some authorities believe that colleges with attactive programs will thus survive in an era of declining enrollment, while those which are unattractive will fail. Unfortunately, this pedestrian vote will be exercised mainly by students from low income homes, some of whom are the first in their families to attend college, who may have received little attention om high school guidance counsellors. On what basis vill such purchasers make their decisions?

If we fail to devise means of presenting more helpful information about our institutions to assist students in finding their proper niches, we may initially attract many with hard sell advertising. But we will be increasingly plagued with drop-outs, dissatisfied customers, and poor public relations.

Students enter college with unrealistic ideas of what college is all about. Quite quickly, they adjust their views of their institutions to be more consistent with those held by upperclassmen and faculty. The let-down when students discover that college is not all they had hoped may be severe, and may account for some complaints. It

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would be impossible to completely destroy youthful anticipation, and yet it behooves us to stop helping students to delude themselves. The problem will look a bit different too as increasing numbers of students are older, experienced marketplace consumers, who are accustomed to returning a flawed or unsuitable product.

Current promotional materials do include student descriptions of their institutions. The statements are carefully selected—I've never seen a college catalogue which quotes a student critical of the institution or its policies. Yet we owe our students the same rigorous objectivity in examining our institutions and reporting their dimensions that we expect from students in research projects or science labs. An institution can make a profile of its intellectual and social climate available to prospective students. The data may already exist, or it can become a valuable tool for internal decision-making, clarifying institutional goals and policies, and helping colleges take note of their strong points and correct areas needing improvement.

II. Financial Policy

Some institutions still insist upon payment of a full year's or semester's tuition in advance and give withdrawing students no refunds. In the business world, we would not expect to receive back a deposit on a special order, but we would not expect to pay the full amount for a product we did not accept.

Most statements of institutional fees indicate that they are subject to change at any time. Few of us would do business with a merchant who changed the price after we had contracted for the goods. And yet, it is essential to maintain the financial viability of our institutions in the face of unanticipated cost increases. Better long-range economic planning might help to avoid the need for frequent and abrupt fee rises. A contract between the student and the institution, providing educational services at the originally agreed-upon price, might spur institutions to improve their planning efforts.

There is also a great necessity to improve financial counselling. Granted, the complicated systems of financial aid are difficult to interpret to students, but we must try harder, particularly when students are signing for large debts. College presidents and admissions directors would be appalled if they could hear the misrepresentations about their colleges and distortions of the financial realities given by some field representatives to prospective students at college nights. Of course, many are careful in the statements made to students and their families. We are just not all being careful or honest enough.

Several solutions have been recommended. All advertising might be reviewed prior to publication by a private regulatory body with authority to sanction its members. A booklet explaining financial rights—much like the one required for moving companies by the Interstate Commerce Commission—might be given to prospective students. A public regulatory body or a disinterested rating service could provide accountability.[3]

III. Between Admission and Graduation

Students are becoming increasingly conscious of the academic program. They complain about the listing of courses in the catalogue when they have not been taught for several years; of prestigious professors named who do not actually teach; of the failure to cover the material described in a course description; of the cancellation of classes.

A balance is certainly needed in these matters between student rights and institutional stability, especially as student inclinations to enroll in certain courses rapidly change. Resources cannot be easily shifted from one segment of an institution to another. Yet it is incumbent upon us to study the methods used by other industries to handle peak loads while maintaining market flexibility. Perhaps we have not done all we can to anticipate and respond to enrollment shifts, and to ensure flexibility in the delivery of textbooks and other equipment.

Many students now want to know in advance just what type of education they will receive. They are calling for printed course objectives and clear statements of how they will be graded. These are among the hardest things for an institution to produce. Few faculty would disagree with the desirability of clear advance delineations of course objectives. However, explicit objectives limit the flexibility both of the institution and the teacher. Consequently, most institutions still retain the typical brief and ambiguous course description.

Possibly of greatest concern to students is the lack of responsiveness to inquiries and complaints. Can we provide a mechanism within our instituions to consider student grievances, particularly in the academic realm? If not, can we provide an interinstitutional tribunal which will take on this task—a sort of fact-finding board? Otherwise, a government agency, not always as sensitive to the need for academic freedom and institutional diversity, may eventually provide the mechanism.

Achievements and Employability

At the end of the college years are found some of the most potent student complaints: "The job I thought I was preparing for doesn't exist." The Federal Trade Commission and the Office of Education have proposed regulations which would require schools offering career preparation to disclose the percentage of their students who actually obtained positions in the field for which they were trained. The FTC staff cites a complaint brought by a student who enrolled in a computer course and later found that his skills applied only to a little used type of computer. The student did not have the sophistication at the outset to ask specifically whether there were different skills for different computers. Our schools have an obligation to fully disclose such limitations to students. Sins of omission and the

principle "let the buyer beware" have no place in education.

The responsibility for providing jobs for students does not lie with the educational institution. (We have no control over the economy.) Many students nevertheless look to the college to help them learn about career opportunities. An assumption which seemed to pervade the Knoxville conference as well as proposed regulations emphasizing job placement is that all students entering postsecondary institutions know what careers they wish to pursue. We know that this is not true of at least 25% of entering college students.

The placement track record of an institution is indeed important. Yet more appropriate for students to know when choosing an institution is the extent to which the college makes a substantial effort to help its students make a career choice and to help them plan an academic program accordingly.

It woud be disturbing if government regulations should require that our liberal arts colleges report, as a measure of their effectiveness, the number of students placed in the fields of history, philosophy, and anthropology within six months after graduation. On the other hand, such institutions need to make it clear to students that the purpose of these programs and majors is not to lead directly to a career.

We have long made many claims about the purposes of a liberal arts education. Many legitimate objectives of our institutions are not easily delineated and measured. We have to be honest enough to say, "We think this is what you will achieve here if you do your part and we do ours—but we can't give you a guarantee. Here is how we hope to try."

Other Possible Approaches

Additional proposals for state and federal regulation have been made:

- publication of attrition rates and reasons for attrition.
- publication of federal loan default rates.
- public disclosure of full reports by accreditation agencies.
- publication of a prospectus about each institution similar to that used by the Securities Exchange Commission for stock offerings. (The accuracy of such information to be audited by a government agency).
- establishment of a clearinghouse which would maintain comparable information about all institutions.
- establishment of a second clearinghouse which would maintain information on complaints which have been registered. (Little attention has been given to whether complaints would be certified legitimate before being included.)

Responding to Consumer Demands

The Association of American Colleges held a conference in January entitled "Consumerism, Student Needs and Liberal Learning." Before an hour had passed, the informal title of the conferece had changed to "Consumerism, Institutional Survival and Liberal Learning." This is understandable given the pressures on private institutions today. But it seems clear that institutional survival is very closely linked with responsiveness to student needs.

Many students today have been taught to think quite critically in high school. They study advertising techniques and consumer protection. They read literature about systems analysis and consider inputs and outputs. Now they are asking us to relate educational outputs to inputs in a rational way. They are saying, "Demonstrate to me that I will think more critically or be a more informed citizen after attending your school. If you cannot, I may not be willing to buy your brand of education."

We should be proud of this inclination on the part of our students. It has been said that if the educational system of a nation is good, those who are educated will often find that the system itself is obsolete and will wish to negotiate new and better mechanisms.

There are clearly some dangers in being overly responsive to student demands. This is as true now as it was when these demands were proclaimed in a different way during the late 1960's. But colleges and institutions supported by society and students are voting members of society (and now less and less separated by age from the rest of the population.) If the individual members of society enrolled in postsecondary study are treated fairly and get their money's worth, society will benefit collectively.

The process of self-examination for the benefit of the customer can increase credibility at the same time that institutions are improved. The consumer movement is just one more stimulus toward fiscal and educational accountability.

In January, 1975, Willis W. Harman of the Stanford Research Institute referred to consumerism as the tip of an iceberg, the iceberg itself being a challenge to social institutions including education:

Such a challenge to the legitimacy of a social institution or social system, by the citizenry who granted that legitimacy in the first instance, is the most potent transformation force known in human history. The issue is not whether the system will respond—if such a legitimacy challenge grows sufficiently strong, change is assured. The issue is whether the system can alter itself rapidly enough, and whether its integrating bonds will be strong enough to allow the transformation to take place in a non-destructive manner.[4]

—Joan S. Stark

NOTES

[1]Virginia Knauer, "The Consumer's Need for Protection in the Educational Marketplace." Preliminary Report of the Second National Conference on Consumer Protection in Postsecondary Education. Knoxville, Tenessee, November 14-15, 1974.

[2]*Consumer Protection in Postsecondary Education: Conference Report and Recommendations.* Denver: Education Commission of the States, Report Number 53, June, 1974.

[3]Helen E. Nelson, "Consumer Advocacy and Student Protection in Postsecondary Education." *Consumer Protection in Postsecondary Education: Program Handbook.* Knoxville, Tennessee, November 14-15, 1974.

[4]Willis W. Harman, "Consumerism Legitimacy and Transformation." Address at Annual Meeting of the Association of American Colleges. Washington, D.C., January 14, 1975.